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**TITLE 405 OFFICE OF THE SECRETARY OF
FAMILY AND SOCIAL SERVICES**

Proposed Rule
LSA Document #01-172

DIGEST

Amends 405 IAC 1-12-24 to assess community residential facilities for the developmentally disabled (CRFs/DD) and intermediate care facilities for the mentally retarded (ICFs/MR) not operated by the state in an amount not to exceed ten percent of annual gross residential services revenue of the facility for the facility's preceding fiscal year. Effective 30 days after filing with the secretary of state.

405 IAC 1-12-24

SECTION 1. 405 IAC 1-12-24 IS AMENDED TO READ AS FOLLOWS:

405 IAC 1-12-24 Assessment methodology

Authority: IC 12-8-6-5; IC 12-15-1-10; IC 12-15-21-2

Affected: IC 12-13-7-3; IC 12-15-32-11

Sec. 24. ~~(a) As used in this section, "implementation date" means July 1, 1994.~~

~~(b) Beginning with the implementation date,~~ **(a)** CRF/DD and ICF/MR facilities that are not operated by the state will be assessed ~~five~~ **an amount not to exceed ten percent (5%) (10%)** of the ~~annual~~ gross residential services revenue of the facility for the facility's ~~preceding fiscal~~ **annual reporting period** year **for annual rate reviews. CRF/DD and ICF/MR facilities that are not operated by the state will be assessed an amount not to exceed ten percent (10%) of the annualized gross residential services revenue of the facility for the facility's preceding nine (9) months for determining the base rate as set out in section 5(d) of this rule. The assessment percentage shall be determined annually by the office or its contractor in such a manner that the amount assessed shall, in the aggregate, not exceed six percent (6%) of total facility revenues.**

~~(c)~~ **(b)** The assessment on provider gross residential services revenue authorized by IC 12-15-32-11 shall be an allowable cost for cost reporting and audit purposes. Gross residential services revenue is defined as revenue from the provider's previous ~~annual~~ reporting period as set out in section 4(a) of this rule **or previous base rate reporting period set out in section 5(d) of this rule** and excludes allowable day services costs for the period. Providers will ~~annually~~ submit data to calculate the amount of provider assessment **with their annual base and rate reviews as set out in sections 4(a) and 5(d) of this rule**, using forms or in a format prescribed by the office. These forms are subject to audit by the office or its designee.

~~(d)~~ **(c)** If federal financial participation to match the assessment becomes unavailable under federal law after the implementation date, the authority to impose the assessment terminates on the date that the federal statutory, regulatory, or interpretive change takes place, and such termination will apply prospectively. In addition, prospective termination of the assessment as described in this subsection will result in the simultaneous termination of the assessment being considered as an allowable cost for rate setting purposes. *(Office of the Secretary of Family and Social Services; 405 IAC 1-12-24; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2329; filed Aug 14, 1998, 4:27 p.m.: 22 IR 67)*

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on July 24, 2001 at 9:00 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room 2, Indianapolis, Indiana the Office of the Secretary of Family and Social Services will hold a public hearing on proposed amendments to rate-setting criteria for nonstate-owned intermediate care facilities for the mentally retarded (ICF/MR) and community residential facilities for the developmentally disabled (CRF/DD).

In accordance with the public notice requirements of 42 CFR 447.205 and Section 1902(a)(13)(A) of the Social Security Act, the Indiana Family and Social Services Administration publishes this notice of proposed amendment to the rate-setting criteria for nonstate-owned intermediate care facilities for the mentally retarded (ICF/MR) and community residential facilities for the developmentally disabled (CRF/DD).

The proposed amendment will revise 405 IAC 1-12-24 to assess community residential facilities for the developmentally disabled (CRFs/DD) and intermediate care facilities (ICFs/MR) not operated by the state in an amount not to exceed ten percent of annual gross residential services revenue for each facility's annual reporting period. This will cause facilities to incur higher costs, so Medicaid rates will increase by like amounts. In the aggregate, the increase is expected to increase rates by \$4.2 million in state and federal dollars. Proposed rates and a detailed analysis of the estimated impact on Medicaid rates for affected providers is available upon request by contacting: Ms. Karen Filler, Supervisor, Office of Medicaid Policy and Planning, 402 West Washington Street, Room W382, Indianapolis, Indiana 46204, (317) 232-4651. The revised assessment percentage is based on amendments to IC 12-15-32-11 as enacted by the 2001 Indiana General Assembly (Public Law 291-2001, SECTION 216).

Written comments concerning this proposed amendment may be sent to: Catherine Rudd, Indiana Family and Social Services Administration, 402 West Washington Street, Room W451, Indianapolis, Indiana 46204. Correspondence should be identified by reference to LSA Document # 01-172. Comments should be sent by July 30, 2001.

Copies of these rules are now on file at the Indiana Government Center-South, 402 West Washington Street, Room W451 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

John Hamilton
Secretary
Office of the Secretary of Family and Social Services